

104TH CONGRESS
2D SESSION

H. R. 3415

IN THE SENATE OF THE UNITED STATES

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Read twice and referred to the Committee on Finance

AN ACT

To amend the Internal Revenue Code of 1986 to repeal the 4.3-cent increase in the transportation motor fuels excise tax rates enacted by the Omnibus Budget Reconciliation Act of 1993 and dedicated to the general fund of the Treasury.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PURPOSE.**

4 The purpose of this Act is to repeal the 4.3-cent in-
 5 crease in the transportation motor fuels excise tax rates
 6 enacted by the Omnibus Budget Reconciliation Act of
 7 1993 and dedicated to the general fund of the Treasury.

8 **SEC. 2. REPEAL OF 4.3-CENT INCREASE IN FUEL TAX RATES**

9 **ENACTED BY THE OMNIBUS BUDGET REC-**
 10 **ONCILIATION ACT OF 1993 AND DEDICATED**
 11 **TO GENERAL FUND OF THE TREASURY.**

12 (a) IN GENERAL.—Section 4081 of the Internal Rev-
 13 enue Code of 1986 (relating to imposition of tax on gaso-
 14 line and diesel fuel) is amended by adding at the end the
 15 following new subsection:

16 “(f) REPEAL OF 4.3-CENT INCREASE IN FUEL TAX
 17 RATES ENACTED BY THE OMNIBUS BUDGET RECONCILI-
 18 ATION ACT OF 1993 AND DEDICATED TO GENERAL FUND
 19 OF THE TREASURY.—

20 “(1) IN GENERAL.—During the applicable pe-
 21 riod, each rate of tax referred to in paragraph (2)
 22 shall be reduced by 4.3 cents per gallon.

23 “(2) RATES OF TAX.—The rates of tax referred
 24 to in this paragraph are the rates of tax otherwise
 25 applicable under—

1 “(A) subsection (a)(2)(A) (relating to gas-
2 oline and diesel fuel),

3 “(B) sections 4091(b)(3)(A) and
4 4092(b)(2) (relating to aviation fuel),

5 “(C) section 4042(b)(2)(C) (relating to
6 fuel used on inland waterways),

7 “(D) paragraph (1) or (2) of section
8 4041(a) (relating to diesel fuel and special
9 fuels),

10 “(E) section 4041(c)(2) (relating to gaso-
11 line used in noncommercial aviation), and

12 “(F) section 4041(m)(1)(A)(i) (relating to
13 certain methanol or ethanol fuels).

14 “(3) COMPARABLE TREATMENT FOR COM-
15 PRESSED NATURAL GAS.—No tax shall be imposed
16 by section 4041(a)(3) on any sale or use during the
17 applicable period.

18 “(4) COMPARABLE TREATMENT UNDER CER-
19 TAIN REFUND RULES.—In the case of fuel on which
20 tax is imposed during the applicable period, each of
21 the rates specified in sections 6421(f)(2)(B),
22 6421(f)(3)(B)(ii), 6427(b)(2)(A), 6427(l)(3)(B)(ii),
23 and 6427(l)(4)(B) shall be reduced by 4.3 cents per
24 gallon.

1 “(5) COORDINATION WITH HIGHWAY TRUST
 2 FUND DEPOSITS.—In the case of fuel on which tax
 3 is imposed during the applicable period, each of the
 4 rates specified in subparagraphs (A)(i) and (C)(i) of
 5 section 9503(f)(3) shall be reduced by 4.3 cents per
 6 gallon.

7 “(6) APPLICABLE PERIOD.—For purposes of
 8 this subsection, the term ‘applicable period’ means
 9 the period after the 6th day after the date of the en-
 10 actment of this subsection and before January 1,
 11 1997.”

12 (b) EFFECTIVE DATE.—The amendment made by
 13 this section shall take effect on the date of the enactment
 14 of this Act.

15 **SEC. 3. FLOOR STOCK REFUNDS.**

16 (a) IN GENERAL.—If—

17 (1) before the tax repeal date, tax has been im-
 18 posed under section 4081 or 4091 of the Internal
 19 Revenue Code of 1986 on any liquid, and

20 (2) on such date such liquid is held by a dealer
 21 and has not been used and is intended for sale,

22 there shall be credited or refunded (without interest) to
 23 the person who paid such tax (hereafter in this section
 24 referred to as the “taxpayer”) an amount equal to the ex-
 25 cess of the tax paid by the taxpayer over the amount of

1 such tax which would be imposed on such liquid had the
2 taxable event occurred on such date.

3 (b) TIME FOR FILING CLAIMS.—No credit or refund
4 shall be allowed or made under this section unless—

5 (1) claim therefor is filed with the Secretary of
6 the Treasury before the date which is 6 months
7 after the tax repeal date, and

8 (2) in any case where liquid is held by a dealer
9 (other than the taxpayer) on the tax repeal date—

10 (A) the dealer submits a request for refund
11 or credit to the taxpayer before the date which
12 is 3 months after the tax repeal date, and

13 (B) the taxpayer has repaid or agreed to
14 repay the amount so claimed to such dealer or
15 has obtained the written consent of such dealer
16 to the allowance of the credit or the making of
17 the refund.

18 (c) EXCEPTION FOR FUEL HELD IN RETAIL
19 STOCKS.—No credit or refund shall be allowed under this
20 section with respect to any liquid in retail stocks held at
21 the place where intended to be sold at retail.

22 (d) DEFINITIONS.—For purposes of this section—

23 (1) the terms “dealer” and “held by a dealer”
24 have the respective meanings given to such terms by

1 section 6412 of such Code; except that the term
2 “dealer” includes a producer, and

3 (2) the term “tax repeal date” means the 7th
4 day after the date of the enactment of this Act.

5 (e) CERTAIN RULES TO APPLY.—Rules similar to the
6 rules of subsections (b) and (c) of section 6412 of such
7 Code shall apply for purposes of this section.

8 **SEC. 4. FLOOR STOCKS TAX.**

9 (a) IMPOSITION OF TAX.—In the case of any liquid
10 on which tax was imposed under section 4081 or 4091
11 of the Internal Revenue Code of 1986 before January 1,
12 1997, and which is held on such date by any person, there
13 is hereby imposed a floor stocks tax of 4.3 cents per gal-
14 lon.

15 (b) LIABILITY FOR TAX AND METHOD OF PAY-
16 MENT.—

17 (1) LIABILITY FOR TAX.—A person holding a
18 liquid on January 1, 1997, to which the tax imposed
19 by subsection (a) applies shall be liable for such tax.

20 (2) METHOD OF PAYMENT.—The tax imposed
21 by subsection (a) shall be paid in such manner as
22 the Secretary shall prescribe.

23 (3) TIME FOR PAYMENT.—The tax imposed by
24 subsection (a) shall be paid on or before June 30,
25 1997.

1 (c) DEFINITIONS.—For purposes of this section—

2 (1) HELD BY A PERSON.—A liquid shall be con-
3 sidered as “held by a person” if title thereto has
4 passed to such person (whether or not delivery to
5 the person has been made).

6 (2) GASOLINE AND DIESEL FUEL.—The terms
7 “gasoline” and “diesel fuel” have the respective
8 meanings given such terms by section 4083 of such
9 Code.

10 (3) AVIATION FUEL.—The term “aviation fuel”
11 has the meaning given such term by section 4093 of
12 such Code.

13 (4) SECRETARY.—The term “Secretary” means
14 the Secretary of the Treasury or his delegate.

15 (d) EXCEPTION FOR EXEMPT USES.—The tax im-
16 posed by subsection (a) shall not apply to gasoline, diesel
17 fuel, or aviation fuel held by any person exclusively for
18 any use to the extent a credit or refund of the tax imposed
19 by section 4081 or 4091 of such Code is allowable for such
20 use.

21 (e) EXCEPTION FOR FUEL HELD IN VEHICLE
22 TANK.—No tax shall be imposed by subsection (a) on gas-
23 oline or diesel fuel held in the tank of a motor vehicle or
24 motorboat.

25 (f) EXCEPTION FOR CERTAIN AMOUNTS OF FUEL.—

1 (1) IN GENERAL.—No tax shall be imposed by
2 subsection (a)—

3 (A) on gasoline held on January 1, 1997,
4 by any person if the aggregate amount of gaso-
5 line held by such person on such date does not
6 exceed 4,000 gallons, and

7 (B) on diesel fuel or aviation fuel held on
8 such date by any person if the aggregate
9 amount of diesel fuel or aviation fuel held by
10 such person on such date does not exceed 2,000
11 gallons.

12 The preceding sentence shall apply only if such per-
13 son submits to the Secretary (at the time and in the
14 manner required by the Secretary) such information
15 as the Secretary shall require for purposes of this
16 paragraph.

17 (2) EXEMPT FUEL.—For purposes of para-
18 graph (1), there shall not be taken into account fuel
19 held by any person which is exempt from the tax im-
20 posed by subsection (a) by reason of subsection (d)
21 or (e).

22 (3) CONTROLLED GROUPS.—For purposes of
23 this subsection—

24 (A) CORPORATIONS.—

1 (i) IN GENERAL.—All persons treated
2 as a controlled group shall be treated as 1
3 person.

4 (ii) CONTROLLED GROUP.—The term
5 “controlled group” has the meaning given
6 to such term by subsection (a) of section
7 1563 of such Code; except that for such
8 purposes the phrase “more than 50 per-
9 cent” shall be substituted for the phrase
10 “at least 80 percent” each place it appears
11 in such subsection.

12 (B) NONINCORPORATED PERSONS UNDER
13 COMMON CONTROL.—Under regulations pre-
14 scribed by the Secretary, principles similar to
15 the principles of subparagraph (A) shall apply
16 to a group of persons under common control
17 where 1 or more of such persons is not a cor-
18 poration.

19 (g) OTHER LAW APPLICABLE.—All provisions of law,
20 including penalties, applicable with respect to the taxes
21 imposed by section 4081 of such Code in the case of gaso-
22 line and diesel fuel and section 4091 of such Code in the
23 case of aviation fuel shall, insofar as applicable and not
24 inconsistent with the provisions of this subsection, apply
25 with respect to the floor stock taxes imposed by subsection

1 (a) to the same extent as if such taxes were imposed by
2 such section 4081 or 4091.

3 **SEC. 5. BENEFITS OF TAX REPEAL SHOULD BE PASSED ON**
4 **TO CONSUMERS.**

5 (a) PASSTHROUGH TO CONSUMERS.—

6 (1) SENSE OF CONGRESS.—It is the sense of
7 Congress that—

8 (A) consumers immediately receive the
9 benefit of the repeal of the 4.3-cent increase in
10 the transportation motor fuels excise tax rates
11 enacted by the Omnibus Budget Reconciliation
12 Act of 1993, and

13 (B) transportation motor fuels producers
14 and other dealers take such actions as nec-
15 essary to reduce transportation motor fuels
16 prices to reflect the repeal of such tax increase,
17 including immediate credits to customer ac-
18 counts representing tax refunds allowed as
19 credits against excise tax deposit payments
20 under the floor stocks refund provisions of this
21 Act.

22 (2) STUDY.—

23 (A) IN GENERAL.—The Comptroller Gen-
24 eral of the United States shall conduct a study
25 of the repeal of the 4.3-cent increase in the fuel

1 tax imposed by the Omnibus Budget Reconcili-
2 ation of 1993 to determine whether there has
3 been a passthrough of such repeal.

4 (B) REPORT.—Not later than January 31,
5 1997, the Comptroller General of the United
6 States shall report to the Committee on Fi-
7 nance of the Senate and the Committee on
8 Ways and Means of the House of Representa-
9 tives the results of the study conducted under
10 subparagraph (A).

11 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS FOR EX-**
12 **PENSES OF ADMINISTRATION OF THE DE-**
13 **PARTMENT OF ENERGY.**

14 Section 660 of the Department of Energy Organiza-
15 tion Act (42 U.S.C. 7270) is amended—

16 (1) by inserting “(a) IN GENERAL.—” before
17 “APPROPRIATIONS”; and

18 (2) by adding at the end the following:

19 “(b) FISCAL YEARS 1997 THROUGH 2002.—There
20 are authorized to be appropriated for salaries and ex-
21 penses of the Department of Energy for departmental ad-
22 ministration and other activities in carrying out the pur-
23 poses of this Act—

24 “(1) \$104,000,000 for fiscal year 1997;

25 “(2) \$104,000,000 for fiscal year 1998;

- 1 “(3) \$100,000,000 for fiscal year 1999;
2 “(4) \$90,000,000 for fiscal year 2000;
3 “(5) \$90,000,000 for fiscal year 2001; and
4 “(6) \$90,000,000 for fiscal year 2002.”.

5 **SEC. 7. SPECTRUM AUCTIONS.**

6 (a) COMMISSION OBLIGATION TO MAKE ADDITIONAL
7 SPECTRUM AVAILABLE BY AUCTION.—

8 (1) IN GENERAL.—The Federal Communica-
9 tions Commission shall complete all actions nec-
10 essary to permit the assignment, by March 31,
11 1998, by competitive bidding pursuant to section
12 309(j) of the Communications Act of 1934 (47
13 U.S.C. 309(j)) of licenses for the use of bands of
14 frequencies that—

15 (A) individually span not less than 12.5
16 megahertz, unless a combination of smaller
17 bands can, notwithstanding the provisions of
18 paragraph (7) of such section, reasonably be ex-
19 pected to produce greater receipts;

20 (B) in the aggregate span not less than 35
21 megahertz;

22 (C) are located below 3 gigahertz; and

23 (D) have not, as of the date of enactment
24 of this Act—

1 (i) been assigned or designated by
2 Commission regulation for assignment pur-
3 suant to such section;

4 (ii) been identified by the Secretary of
5 Commerce pursuant to section 113 of the
6 National Telecommunications and Infor-
7 mation Administration Organization Act
8 (47 U.S.C. 923); or

9 (iii) reserved for Federal Government
10 use pursuant to section 305 of the Com-
11 munications Act of 1934 (47 U.S.C. 305).

12 (2) CRITERIA FOR REASSIGNMENT.—In making
13 available bands of frequencies for competitive bid-
14 ding pursuant to paragraph (1), the Commission
15 shall—

16 (A) seek to promote the most efficient use
17 of the spectrum;

18 (B) take into account the cost to incum-
19 bent licensees of relocating existing uses to
20 other bands of frequencies or other means of
21 communication;

22 (C) take into account the needs of public
23 safety radio services;

1 (D) comply with the requirements of inter-
2 national agreements concerning spectrum allo-
3 cations; and

4 (E) take into account the costs to satellite
5 service providers that could result from multiple
6 auctions of like spectrum internationally for
7 global satellite systems.

8 (b) PERMANENT AUCTION AUTHORITY.—Paragraph
9 (11) of section 309(j) of the Communications Act of 1934
10 (47 U.S.C. 309(j)(11)) is repealed.

Passed the House of Representatives May 21, 1996.

Attest: ROBIN H. CARLE,
Clerk.

By LINDA NAVE,
Deputy Clerk.